GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

Scottish Charity Number SC015962

THE GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH

THE GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH

Reference and administrative information

Charity name and address	General Synod of the Scottish Episcopal Church 40 Torphichen Street, Edinburgh, EH3 9JB
Scottish Charity Number	SC015962
Charity Trustees	*Standing Committee* Mrs Cathy Johnston (Convener from 7th June 2025) Ms Bridget Campbell (Convener to 7th June 2025) Most Rev Mark Strange Rt Rev Dr John Ames (to 7th June 2025) Rt Rev David Railton (from 7th June 2025) Rt Rev Anne Dyer (to 6th February 2026) Rt Rev Andrew Swift (from 6th February 2026) Very Rev Kelvin Holdsworth Dr Anne Martin Very Rev Sarah Murray (to 7th June 2025) Rev Keith Thomasson (from 7th June 2025) Rev Diana Hall Mrs Jan Whiteside Rev Canon Dr Michael Barlowe (co-opted non-voting from 5th February 2026)
Principal Officers	Secretary General — Dr Dee Bird Chief Operating Officer — Dr Patricia Krus Chief Financial Officer — Mr James Lloyd
Solicitors	Shepherd and Wedderburn LLP 9 Haymarket Square, Edinburgh, EH3 8FY Brodies LLP 58 Morrison Street, Edinburgh, EH3 8BP
Auditor	CT Audit Limited Chartered Accountants and Statutory Auditor 61 Dublin Street, Edinburgh, EH3 6NL
Fund Managers	Baillie Gifford & Co Calton Square, 1 Greenside Row, Edinburgh, EH1 3AN
Bankers	Bank of Scotland plc Triodos Bank NV
Trustees for the Charity	*Trustees of the General Synod of the Scottish Episcopal Church* Rt Rev David Chillingworth Canon Dr John Ferguson-Smith (to 23rd February 2026) Mr Gavin Gemmell (to 15th October 2025) Mr Robert Gordon Mr Martin Haldane (to 15th September 2025) Prof Patricia Peattie *Directors of Scottish Episcopal Church Nominees* Rt Rev David Chillingworth Canon Dr John Ferguson-Smith (to 23rd February 2026) Mr Gavin Gemmell (to 15th October 2025) Mr Robert Gordon Mr Martin Haldane (to 15th September 2025) Most Rev Mark Strange

The Trustees for the Charity have no involvement in their capacity as Trustees for the Charity, in the management and control of the General Synod. Their role is to be nominees holding title to assets (principally heritable properties and investments) on behalf of the General Synod.

THE GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH

Annual Report of the Standing Committee (Charity Trustees)
For the year ended 31 December 2025

Structure, governance and management

1. The Scottish Episcopal Church (SEC) is a province of the Anglican Communion.

2. The General Synod of the Scottish Episcopal Church is the deliberative and legislative body of the SEC; it is also an unincorporated association registered with the Office of the Scottish Charity Regulator (OSCR).

3. The Standing Committee serves as the Executive Committee of the General Synod; its members are also the trustees of the charity.

4. The Committee comprises the Conveners of the General Synod's four Boards (the Mission Board, Faith and Order Board, Administration Board and the Board of the Scottish Episcopal Institute, also known as the 'Institute Council'), an independent lay Convener, a further lay member of General Synod, two clerical members of General Synod and a representative of the College of Bishops. The Standing Committee implements General Synod's decisions, and co-ordinates the work of the four Boards. The Committee normally meets five times a year. It works closely with the College of Bishops in addressing strategic issues facing the SEC as a whole. (The College comprises all the Diocesan Bishops, each of whom has a collective or shared responsibility to oversee and care for the SEC as well as oversee and care for his or her own diocese.) With the exception of the Primus and the representative of the College of Bishops, Standing Committee members are appointed by the General Synod for a term of either four or five years. The College of Bishops appoints its representative.

5. The affairs of the SEC are regulated by the Code of Canons and the Synod's Digest of Resolutions which are binding upon the General Synod and the SEC's dioceses and congregations or 'charges'. (The dioceses and charges of the SEC also enjoy charitable status in their own right and their financial transactions are not reflected in the financial statements of the General Synod.)

6. Acting under the authority of the General Synod of the SEC, and subject to the terms of the Digest of Resolutions, the Standing Committee has the general control and management of the administration of the affairs of the General Synod. Specifically, it is empowered to expend the income of the SEC general funds and authorise any Board or Committee to expend sums, as the Standing Committee considers necessary, from the capital funds of that Board of Committee.

7. The work of the General Synod of the SEC is supported by the employees of the General Synod Office and by volunteers from across the Province. Responsibility for leading and managing the work of the General Synod Office is delegated by the Standing Committee to the Secretary General, the senior principal officer, who reports to the Convener of the Standing Committee.

8. A full list of Standing Committee members is at page 2.

Objectives and activities of Standing Committee

9. In its role as the Executive Committee of the General Synod, Standing Committee acts to progress the General Synod's objective of securing the general advancement of the SEC's mission which falls under the following six broad charitable activities:

   - mission development and support
   - ministry support and training
   - advancement of ecumenical and church relations
   - promotion, publications and communication
   - support for retired clergy and
   - provision of support and advice to dioceses and congregations of the SEC.

10. Much of the work is carried out by the four Boards and their pendant Committees. The Administration Board, for example, determines policy in relation to the administration of provincial investments and property and for matters pertaining to clergy stipends and allowances. There is also a Safeguarding Committee, Provincial Environment Group and Ethical Investment Advisory Group all of which report to the Standing Committee.

11. As the Trustees of the charity, the Standing Committee is also responsible for the following:

- ensuring the charity is compliant with statutory regulations
- setting the annual budget and receiving regular financial reports
- appointing the leadership of the General Synod Office
- ensuring the welfare of employees and
- overseeing the management and mitigation of risk.

Achievements of the Standing Committee

12. In 2025, the Standing Committee focused on strengthening governance and progressing work on a national strategy for the Province.

Strengthening Governance

13. The Committee oversaw several governance developments during the year: A new Scheme of Delegation was introduced, setting out clearly the responsibilities of the Standing Committee, the Secretary General, and Chief Officers, supporting transparent and efficient decision-making and accountability. A programme of updating HR policies continued, including the introduction of more family friendly provisions for employees, reinforcing good employment practice across the General Synod Office. The Risk Register was reviewed and updated to reflect current risks and ensure that appropriate mitigations are in place. Steps were taken to improve and enhance cyber security by updating our IT policies as well as introducing multi factor authentication. We have begun working with a new IT provider who will work with us to further develop our IT infrastructure and processes to mitigate our risk further against cyber security. A Skills Matrix was introduced during the summer of 2025 to identify gaps in knowledge and experience on the Committee and, based on the analysis of responses – and after an open recruitment exercise – a highly-skilled co-opted, non-voting member was appointed to the Committee, taking up the position in early 2026. Strengthening governance will continue to be a priority for Standing Committee going forward.

Strategic Development

14. In early 2025, the Committee worked with the College of Bishops to begin shaping a Provincial Strategy, which was discussed at General Synod in 2025 and drew upon input from across the Province. The Strategy sets out priorities to deepen discipleship, strengthen leadership, engage younger people, enhance training for clergy and laity, create more flexible vocational pathways, and support growth. It also commits the Church to responsible stewardship of resources, both human and financial. Together, these priorities provide a focused framework for guiding the Church's work in the years ahead. The Provincial Strategy 2026 – 2033 will be presented to Synod in June 2026. The Committee, with the support of its pendant Boards and the College of Bishops, will now oversee the development of a plan to operationalise the Strategy. As announced at General Synod 2025, £10m has been earmarked to support this work.

15. Also in 2025, the Standing Committee awarded a one-off additional £300,000 to dioceses to support mission and ministry. The additional funds were allocated according to the Mission and Ministry Support Grant formula.

THE GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH

Annual Report of the Standing Committee (Charity Trustees)
For the year ended 31 December 2025

Challenges in 2025

16. Throughout the year, the Standing Committee was kept informed of ongoing challenges within the Diocese of Aberdeen and Orkney. In response, it continued to make funded mediation available to support resolution and stability.

17. After multiple health and safety concerns were identified with Forbes House, the home of the General Synod Office, insurers issued an ultimatum to either carry out extensive – and very costly – repairs or vacate the property. After careful consideration, Standing Committee took the decision to secure leased office accommodation in nearby Torphichen Street. The General Synod Office is expected to relocate to the new offices in March 2026, after which time the Committee will take a decision on the future of Forbes House.

Towards Net Zero

18. In 2025, the Scottish Episcopal Church (SEC) significantly expanded its Net Zero programme through training, data gathering, diocesan engagement and project delivery. A major achievement of 2025 was the success of the Net Zero Roadshows, held across every diocese. With participants representing half the SEC charges, Roadshows built confidence, strengthened relationships, and led to over half of attending charges following up to discuss plans. Churches evidence transitioning to renewable electricity tariffs and exploring upgrades such as heat pumps, solar PV, battery storage, insulation, and infrared heating. Practical support accelerated through Benefact Trust co-funded Pilot and Pioneer projects, are delivering projects and learning across the dioceses. Late 2025 also introduced the Sustainable Travel Grant, enabling engagement in a new line of environmental action for churches. The SEC now has better understanding, clearer data, and growing momentum as it heads toward the 2027–2030 phase of its Net Zero programme.

General Synod 2025

19. General Synod convened in Edinburgh from 5–7 June 2025 at St Paul's and St George's Church. On the first day, the Standing Committee and College of Bishops together led an interactive session on the development of the Provincial Strategy, announcing that £10m would be released over a period of five to seven years to support the delivery of the Strategy. Other significant items of business included the first reading of the amended Canon 4, governing the election of bishops, and a new Blessing of a Marriage liturgy was introduced. The Saint Ninian Declaration, an ecumenical statement affirming friendship and deepening cooperation between the Scottish Episcopal Church and the Roman Catholic Church in Scotland, was enthusiastically supported by members.

20. In addition to its formal business, Synod received a presentation marking the 1700th anniversary of the Council of Nicaea, offering an opportunity for collective reflection on the development and enduring significance of the Nicene Creed. Further presentations addressed charity governance, ensuring continued attention to compliance, oversight, and good practice. Synod also devoted time to a session on assisted dying, supporting members to reflect on ethical and pastoral implications, as legislation is progressing through the Scottish Parliament.

21. On 9 September 2025, an extraordinary General Synod meeting was held online to facilitate the second reading of Canon 4. The successful second reading of the Canon ensured that the revised provisions governing episcopal elections were in place ahead of the Edinburgh Episcopal Synod.

Episcopal elections

22. Although the Standing Committee is not involved in episcopal elections, it is appropriate here to report the retiral and election of bishops during the year.

23. In January 2025 Nicholas Bundock was elected as the Bishop of Glasgow and Galloway and consecrated in May 2025 at St Mary's Cathedral, Glasgow. The Rt Rev John Armes, Bishop of Edinburgh, retired in August 2025 after serving in the role since 2012. In February 2026, the Diocese of Edinburgh elected the Rt Rev Dr Dagmar Winter, who will be translated to her new post in May 2026.

Standing Committee membership and General Synod appointments

24. At the 2025 General Synod, several key convenerships and appointments were made. As Ms Bridget Campbell had completed her term of office, **Ms Cathy Johnston** was elected the new **Convener of the Standing Committee**. T**he Rev Keith Thomasson** was appointed **Convener of the Mission Board, thereby becoming a member of Standing Committee**. **In addition, the Rt Rev the Bishop of Brechin** was elected **Convener of the Institute Council**, and Synod ratified the 2024 appointments of **the Rev Canon Prof David Jasper** and **the Rev Dr Rebekah Sims** as members of the Institute Council. **Mr David Gibbon** was appointed **Convener of the Buildings Committee**.

25. Synod also approved a formal provision allowing the appointment of **non-voting coopted members** for up to two consecutive two-year terms to bring additional expertise to boards and committees.

26. In late 2025, the Standing Committee welcomed Rev Canon Michael Barlowe as a co-opted, non-voting member onto the Committee. Rev Barlowe attended his first meeting in February 2026.

General Synod Office staff matters

27. Standing Committee delegate the day-to-day operations to the Secretary General, supported by the principal officers, as set out under the reference and administrative details page 2. These listed individuals are authorised by Standing Committee to make decisions on the day to day running of the organisation. The remuneration of these individuals are set, monitored and reviewed by Standing Committee on an annual basis.

28. During the year there were staffing changes within the Scottish Episcopal Institute. A new post, Director of Contextual Formation, was created, replacing the role of Director of Mixed Mode Training. The Rev Dr Anna-Claar Thomasson-Rosingh, who had held the post of Director of Studies within the SEI since late 2023, was appointed to the new post after an open recruitment exercise; and Dr Victoria Turner was appointed as Director of Studies, taking up the position in August.

29. In addition, two new posts were created to support provincial work: an administrator post was added to the Safeguarding Team in response to the increased workload around changes to the PVG scheme; and a Provincial Youth Ministry Coordinator was appointed to work alongside the Provincial Youth Ministry Lead to enhance youth engagement.

Financial review

30. (The audited financial statements are at page 14)

End of year result

31. The total deficit for the year was £250,234 before gains on investment, 4.6% more than the total budgeted deficit of £239,000. Income outperformed the budget by £176,000 primarily due to the larger than budgeted increase in the distribution of the SEC Unit Trust Pool agreed by the Investment Committee. Increased interest rates on cash balances was also a factor. Total expenditure was £187,000 more than budget, but this was a conscious decision made by Standing Committee as they provided an additional £300,000, to the Dioceses to support them whilst work continued on the Provincial Strategy during the

year. However, the impact of this on the overall deficit was reduced by savings made elsewhere. There was reduced expenditure on training due to fewer students than anticipated and lower uptake than budgeted on some grant programmes.

32. Other income of £264,000 was generated due to the profit arising on the sale of three retirement properties. Surpluses arising on the sale of such properties are available to reinvestment in new properties to be purchased when required. (Two such properties were acquired during the year).

33. The market value of total investments increased by £2.7m, of which £1.9m relates to General Fund investments. The year 2025 was a positive one for investments and the increase in value reflected general market conditions.

Principal funding sources

34. The work of the General Synod is heavily dependent on funding from two sources: investment income and Quota received from dioceses, accounting for approximately 71% and 18% of income respectively. Investment income is primarily derived from the General Synod's holdings in the SEC Unit Trust Pool. Each of the seven dioceses of the SEC is asked to contribute to the costs of the General Synod by the payment of Quota. An element of what each diocese pays is funded by similar Quota contributions requested from congregations in the diocese.

Investment policy and performance

35. The General Synod's investments are held in the SEC Unit Trust Pool, an investment vehicle dealing with investments for the General Synod, dioceses and individual congregations of the SEC. Oversight of the SEC Unit Trust Pool is delegated to the Investment Committee.

36. The investment objective of the SEC Unit Trust Pool is to earn a return on the assets, over the long term, sufficient at least to maintain the real value of the distribution to the unit holders. Over the last three years the Investment Committee has been able to agree above inflation increases in the distribution rate. In 2025 the distribution was increased by 15.8% to £1.10 per unit. The real value of the distribution is therefore being maintained and the investment objective achieved.

Funds held as custodian trustee on behalf of others

37. The SEC Unit Trust Pool of the General Synod is a pooled investment fund managed by the General Synod on behalf of the unit holders. Approximately two thirds of the units are held by the Synod on its own behalf with the balance being held by it, through custodians, on behalf of other Church investors such as dioceses and congregations. Further information is provided in the financial statements for the SEC Unit Trust Pool on page 28.

Ethical investment

38. Approximately 30% of the SEC's Unit Trust Pool's portfolio is managed subject to the ethical screening policy incorporated in the ethical investment policy agreed by General Synod in 2013 and modified by further changes in relation to fossil fuels agreed in 2017. Agreements were put in place in 2020 with our fund managers to ensure no future direct investment in companies involved in the extraction of fossil fuels. The remaining 70% of the SEC Unit Trust Pool's portfolio is invested in pooled funds to which the application of direct ethical screening policies is impractical. Such pooled funds are subject to a policy framework developed by the Ethical Investment Advisory Group and agreed by General Synod in 2021.

Social investment

39. The General Synod has a number of investments which have not been made with a view to achieving any particular rate of return but to further its charitable aims and objectives. In accordance with Financial Reporting Standard 102 many of these are recognised as social investments within the General Synod's financial statements whilst others continue to be categorised as heritable properties. The Committee endorses the use of General Synod's resources to further its objectives in this way.

40. Through its Retirement Housing Fund, the General Synod has an interest in 35 properties located throughout Scotland which have been purchased not to produce a commercial return but to provide retirement housing to eligible members of the SEC Pension Fund. The provision of loans to individuals to assist in such purchases is considered to be a social investment. There is currently one such loan classed as a social investment. (This type of loan is no longer provided.) The Committee recognises the need to ensure that adequate housing provision is made for retired clergy and their spouses or partners and intends that additional investment in retirement housing will, therefore, be made when required.

41. The loans provided to dioceses and charges to assist in the purchase, repair and development of church properties are also classed as social investments. Also categorised as being a social investment is the investment of £5,000 made in the Churches' Mutual Credit Union in 2015. The Braeburn Residential Home previously operated by the General Synod is now leased to the operator of the home for a peppercorn rent. The building continues to be owned by the General Synod and is classed as a social investment.

Reserves policy

42. The Committee has considered the level of reserves held by the General Synod and concluded that it would not be appropriate to accumulate reserves in the General Fund in excess of those necessary to generate income sufficient to meet budgeted annual expenditure – currently approximately £4.1m.

43. The bulk of the General Synod's reserves is invested in income generating investments (via the SEC Unit Trust Pool) or restricted-use heritable property used in the furtherance of its objectives (retirement housing). The General Fund reserves, which are those unrestricted funds at the disposal of the Committee to fund any aspect of the General Synod's work, stood at £61.5m at 31 December 2025.

44. The Committee recognises that the General Synod has significant reserves and, therefore, as mentioned above, is developing a provincial strategy to ensure financial resources are used for the benefit of the SEC.

Risk management

45. The Committee regularly reviews the Risk Register and considers the major risks facing the General Synod and the systems and procedures in place to mitigate those risks. The Risk Register is a 'live' document and is updated at least annually.

46. A fraud policy, fraud response plan, anti-bribery policy, Register of Interests and Register of Gifts and Other Benefits are all in place, along with a Code of Conduct for those serving on provincial Boards and Committees.

Principal risks and uncertainties

47. The Committee considers that the principal governance and management risks lie in addressing strategic forward planning. The organisational structure of the General Synod and its boards and committees is complex and the fact that a large number of provincial boards and committees are active across a wide variety of areas can mean that clear leadership and decision-making can be hampered by the diffuse

nature of that structure. Such a structure is also dependent on identifying appropriate volunteer members with the necessary skills and availability to serve. To address these concerns, the Provincial Strategy has as one of its key enablers 'the simplification and alignment of governance' and this will be a focus from 2026 onwards.

48. The Committee considers that the principal financial risk facing the General Synod is a significant reduction in the return earned from its investments. The risk is mitigated by investing in the SEC Unit Trust Pool (UTP) which is managed by professional fund managers. The investment objectives, strategy and performance are regularly reviewed by the General Synod's Investment Committee, which comprises individuals with relevant investment industry knowledge and expertise. The Investment Committee meets the fund managers at least twice a year.

49. The Standing Committee considers the principal external risk to be declining church membership and is keen to work with the Bishops in identifying appropriate ways to nurture church growth.

50. For the year 2026, the Standing Committee will oversee the creation of an action plan to implement the Provincial Strategy. The plan will ensure that more resources are made available to support the mission and ministry of the Church and to align the work of the GSO to deliver objectives.

Future plans

51. For the year 2026, the Standing Committee will oversee the creation of an action plan to implement the Provincial Strategy. The plan will ensure that more resources are made available to support the mission and ministry of the Church and to align the work of the GSO to deliver objectives.

52. As part of its commitment to improve governance, the Committee agreed at its meeting in February 2026 that it will work towards the charity becoming a Scottish Charitable Incorporated Organisation (SCIO).

53. The Committee will continue to encourage the Faith and Order Board and its pendant committee, the Committee on Canons, to review, update and improve the Code of Canons and Digest of Resolutions.

54. The Standing Committee will continue to work with the four boards in 2026 to review the committee structure with the intention of amalgamating or standing down some committees, where possible.

55. Finally, the Committee will support Senior Officers to deliver a programme of transformational change in relation to work practices within the General Synod Office.

Reference and administrative details

56. Information setting out reference and administrative details appears on page 2.

Thanks

57. The work of the General Synod is dependent on the time, energy and goodwill of the many conveners and members of the Synod's Boards and Committees. On behalf of the Standing Committee, I express our gratitude to all those who have served during the year.

Statement of Responsibilities of the Standing Committee of the General Synod of The Scottish Episcopal Church

In relation to financial statements on pages 14 to 29 and 30 to 32.

As the Charity Trustees of the General Synod of the Scottish Episcopal Church, the Standing Committee is responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to Charities in Scotland requires the Standing Committee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing the Financial Statements the Committee is required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the General Synod will continue in operation.

The Committee is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the General Synod and enable it to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution.

The Committee is responsible for safeguarding the assets of the General Synod and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Committee is responsible for the maintenance and integrity of the charity and financial information included on the General Synod's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Cathy Johnston

Cathy Johnston
Convener, Standing Committee
16 April 2026

THE GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH

Independent Auditor's Report to the General Synod of The Scottish Episcopal Church

Opinion

We have audited the financial statements of the General Synod of the Scottish Episcopal Church (the 'charity') for the year ended 31 December 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report of the Standing Committee, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the General Synod of The Scottish Episcopal Church (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material aspect with the trustees' report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Standing Committee

As explained more fully in the Statement of Responsibilities of the Standing Committee (as charity trustees), the Standing Committee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We gained an understanding of the legal and regulatory framework applicable to the charity and the industry in which it operates and considered the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud. These included but were not limited to Charity Law and Health and Safety Regulations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. We focused on laws and regulations that could give rise to a material misstatement in the charity's financial statements.

Independent Auditor's Report to the General Synod of The Scottish Episcopal Church (continued)

Our tests included, but were not limited to:

- A review of manual adjustments made in coming to the financial statements would identify any unusual adjustments.
- Through gaining a detailed understanding of the business and operations this allowed for identification of irregularities.
- Analytical review of figures against expectation in order to assess movements which may be caused by irregularities or fraud.
- Specific consideration was given to transactions with related parties.
- Fixed assets were suitably tested for potential impairment.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.
A further description of our responsibilities is available on the Financial Reporting Council's website at:
Auditor's Responsibilities for the Audit. This description forms part of our auditor's report.

Use of our report
This report is made solely to the Standing Committee as the charity's Trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

CT Audit

CT Audit Limited
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

Date: 20 April 2026

CT Audit Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

THE GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH

Statement of Financial Activities for the Year Ended 31 December 2025

		2025			2024		
		Unrestricted Funds	Restricted Funds	Total	Unrestricted Funds	Restricted Funds	Total
		£	£	£	£	£	£
Income from							
Donations and legacies	**5**	767,952	288,997	**1,056,949**	751,288	1,258	**752,546**
Investments	**6**	2,770,563	269,389	**3,039,952**	2,395,727	269,641	**2,665,368**
Charitable activities	**7**	93,912	91,407	**185,319**	62,129	103,367	**165,496**
Other	**8**	-	264,034	**264,034**	-	226,183	**226,183**
		3,632,427	913,827	**4,546,254**	3,209,144	600,449	**3,809,593**
Expenditure on							
Chartiable Activities	**9**	4,380,184	416,304	**4,796,488**	3,825,645	240,853	**4,066,498**
Total expenditure		4,380,184	416,304	**4,796,488**	3,825,645	240,853	**4,066,498**
Net expenditure before transfers and gain on investments		(747,757)	497,523	**(250,234)**	(616,501)	359,596	**(256,905)**
Gain on investments		2,482,806	307,248	**2,790,054**	6,302,191	792,664	**7,094,855**
Surplus before transfers		1,735,049	804,771	**2,539,820**	5,685,690	1,152,260	**6,837,950**
Transfers between funds		23,470	(23,470)	**-**	22,331	(22,331)	**-**
Net movement in funds		**1,758,519**	**781,301**	**2,539,820**	**5,708,021**	**1,129,929**	**6,837,950**
Fund balances at 1 January 2025		75,791,526	15,536,539	**91,328,065**	70,054,915	14,435,200	**84,490,115**
Fund balances at 31 December 2025		**77,550,045**	**16,317,840**	**93,867,885**	**75,762,936**	**15,565,129**	**91,328,065**

All income is derived from continuing activities.

The notes on pages 17 to 29 form part of these financial statements.

THE GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH

Balance Sheet as at 31 December 2025

	Note	2025 £	2025 £	2024 £	2024 £
Fixed Assets					
Tangible Assets	**11**		4,921,518		4,780,694
Investments at market value	**12**		86,029,595		84,473,384
			90,951,113		**89,254,078**
Current Assets					
Debtors	**13**	2,104,493		1,519,727	
Bank and Cash		1,495,180		1,028,755	
		3,599,673		2,548,482	
Current Liabilities					
Creditors: Amounts falling due within one year	**14**	(682,901)		(474,495)	
Net Current Assets			2,916,772		2,073,987
TOTAL NET ASSETS			**93,867,885**		**91,328,065**
Capital and Reserves	**15**				
Unrestricted Funds			77,550,045		75,791,526
Restricted Funds			16,317,840		15,536,539
TOTAL FUNDS	**16**		**93,867,885**		**91,328,065**

Approved by the Standing Committee and signed on their behalf by:

Cathy Johnston

Cathy Johnston
Convener, Standing Committee
16 April 2025

The notes on pages 17 to 29 form part of these financial statements.

THE GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH

Statement of Cash Flows for the Year Ended 31 December 2025

	2025	2024
	£	£
Net income for the year		
Net cash (used in) operating activities (reconciliation below)	**(3,660,809)**	**(3,163,278)**
Cash flows from investing activities:		
Dividends, interest and rent from investments	2,770,178	2,458,295
Proceeds from the sale of property	525,440	364,121
Purchase of property and equipment	(402,229)	(488,252)
Proceeds from the sale of investments	1,765,963	590,437
Loans advanced (to dioceses / charges)	(545,000)	(1,077)
Loans repaid (by dioceses / charges)	12,878	16,174
Net cash provided by investing activities	**4,127,230**	**2,939,698**
Change in cash in year	466,421	(223,580)
Cash at 1 January 2025	1,028,759	1,252,339
Cash at 31 December 2025	**1,495,180**	**1,028,759**

Reconciliation of net income to net cash flow from operating activities

	2025	2024
Cash flows from operating activities:		
Net (expenditure) / income for the year (as per the Statement of Financial Activities)	2,492,896	6,837,952
Adjustments for:		
(Gains) on investments	(2,676,893)	(7,044,508)
Dividends, interest and rent from investments	(3,039,952)	(2,665,368)
Profit on sale of property	(264,034)	(226,183)
Profit on sale of investments	(113,161)	(50,347)
(Increase) / Decrease in debtors	(314,993)	5,680
Increase / (Decrease) in creditors	255,328	(20,504)
Net cash (used in) operating activities	**(3,660,809)**	**(3,163,278)**

Analysis of changes in net debt

	At 1 January 2025	Cash flows	At 31 December 2025
Cash	1,028,759	466,421	1,495,180
Total	**1,028,759**	**466,421**	**1,495,180**

The notes on pages 17 to 29 form part of these financial statements.

Notes to the Financial Statements for the Year Ended 31 December 2025

1 Accounting policies

Basis of preparation of the financial statements
The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment assets and are in accordance with applicable accounting standards, Financial Reporting Standard 102 (FRS 102), the Charities Accounts (Scotland) Regulations 2006 (as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) (FRS102) effective from 1 January 2019.

The General Synod of the Scottish Episcopal Church constitutes a public benefit body as defined by FRS 102. The functional and presentational currency of these financial statements is pound sterling.

Going Concern
The financial statements have been prepared on a going concern basis. The Standing Committee has assessed the General Synod's ability to continue as a going concern and has a reasonable expectation that the General Synod has adequate resources to continue in operational existence for the foreseeable future. Thus, it continues to adopt the going concern basis of accounting in preparing the financial statements. The most significant areas of uncertainty with regard to the value of assets held by the General Synod and its ability to continue to operate is the performance of the SEC Unit Trust Pool and the income it produces. (See the investment policy and performance and risk management sections of the Standing Committee's report for more information. The financial statements of the SEC Unit Trust Pool at page 29.)

Fund accounting
Note 2 explains the general purposes of the funds administered by the General Synod. Core funding for the activities of the Boards and most of the Committees is allocated from the General Fund.

Transfers between Revenue and Capital Funds reflect changes in the underlying mix of capital and current assets on a fund by fund basis.

Accruals
Accruals are made for major items outstanding at the Balance Sheet date to preserve consistency of charge from year to year.

Tangible fixed assets and depreciation
Heritable properties are shown at cost and expenditure on improvements is capitalised. The heritable properties have useful lives in excess of fifty years. No depreciation has been provided against the book value of heritable properties as, in the opinion of the Standing Committee, due to the long useful economic lives of the properties and their high residual values, any depreciation charge and resultant accumulated depreciation are immaterial. In the opinion of the Committee, no impairment of the carrying values has occurred during the year.

Expenditure on other tangible fixed assets, such as office furniture and equipment, is generally charged to revenue as incurred as the amounts involved rarely exceed £10,000 which is considered a reasonable limit below which expenditure would not be capitalised. Any single asset costing more than £10,000 is capitalised and depreciation charged on a straight-line basis over five years.

Fixed asset investments
Investments are shown at market value and unrealised gains and losses are taken to the appropriate Capital Account and are included in the Statement of Financial Activities.

Social investments
Social investments are shown at cost. In the opinion of the Standing Committee no impairment of the carrying values has occurred during the year.

Disposals of investments and heritable properties
Realised profits and losses on investments and heritable properties are recognised on the date of disposal and are credited directly to the appropriate Capital Account and are included in the Statement of Financial Activities.

Income
All income is included in the Statement of Financial Activities when the charity is entitled to the income, and the amount can be quantified with reasonable accuracy.

Investment income
Investment income is accounted for on a due and receivable basis.

Quota income
Dioceses' contributions towards the funding of the work of the General Synod ('Quota') are recognised as receivable when it is clear that the funds will be remitted to the General Synod.

Donations, legacies and similar income
Donations, legacies and similar income are recognised as receivable when the amount is known and receipt is likely.

Grant expenditure
Grants approved but not taken up at the year end are accrued in the financial statements.

Governance Costs
Governance Costs relate to those costs necessary to provide the governance infrastructure which allows the General Synod to operate, to generate the information required for public accountability and to address strategic issues facing the Scottish Episcopal Church.

Apportionment of Support Costs (including Governance Costs)
Expenditure is shown in the Statement of Financial Activities categorised by charitable activity in accordance with the requirements of the Statement of Recommended Practice. Certain costs and grants awarded are capable of direct attribution to the categories; however other costs, in particular certain costs associated with the General Synod Office and governance costs, are attributable to more than one category. These costs have been apportioned to the specified categories based on an estimate of the time spent by staff on those activities. (See note 6)

Basic financial instruments
The General Synod has only basic financial assets and liabilities comprising investments, debtors, cash at bank and creditors. These assets and liabilities are initially recorded at cost and subsequently at market value in the case of investments and in respect of other assets and liabilities at the amounts expected to be received or paid.

2 Funds

Unrestricted funds are available for use at the General Synod's discretion; restricted funds are those given for specific purposes. The funds of the General Synod are grouped according to purpose and are administered by boards and the Standing Committee. The functions of each board and Standing Committee are:

Standing Committee	To co-ordinate the work of the boards and to oversee the work of the General Synod Office. The members of the Standing Committee are the Charity Trustees.
Administration Board	To oversee the general administration of the Church as a whole through its pendant committees.
Mission Board	To promote the Church both at home and abroad.
Institute Council	To oversee the areas of ministerial formation and training.

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

2 Funds (continued)

Faith and Order Board	To consider questions of Church government and organisation, doctrine and liturgy, and relationships with other churches.

There are approximately 60 restricted funds administered by the Administration Board, Mission Board and Institute Council depending on the purpose of each restricted fund.

Transfers of Revenue funds from restricted to designated funds represent the administration charges levied on a number of restricted funds for the use of General Synod Office staff and resources.

As explained in note 1 above, transfers between Revenue and Capital balances of the same fund represent changes in the underlying mix of capital and current assets.

Any transfers other than those of a recurring nature are explained in note 15.

3 Employee costs and remuneration of key management personnel

	2025 £	**2024** £
Salaries	1,147,122	1,016,977
Pension contributions	251,129	315,937
Social security costs	130,671	100,178
Total Payroll Costs	**1,528,922**	**1,433,093**
Travel and subsistence	15,884	7,689
Training	21,210	2,065
Total Costs	**1,566,016**	**1,442,847**
Average number of employees	33	30
Average number of full time equivalent posts	29.4	26.0

The majority of staff costs are included in support costs and are apportioned to charitable activities. The costs in relation to the staff of the Scottish Episcopal Institute are however included in the direct costs associated with Ministry support and training. (See note 6.)

Key management personnel are considered to be the members of the Standing Committee and the Management Team comprising the Secretary General, the Treasurer, the Chief Finance Officer, the Chief Operating Officer, the Director of Communications, the Church Relations Officer, the Head of Safeguarding, the Principal of the Scottish Episcopal Institute and the Net Zero Delivery Director. The members of the Standing Committee receive no remuneration and the total employment benefits including employer pension and National Insurance contributions of the Management Team were £650,827 (2024: £641,881).

Three employees received emoluments, as defined for taxation purposes, exceeding £60,000 and which fell in the following banding*:*

	2025 Number	**2024 Number**
£60,001 - £70,000	2	1
£80,001 - £90,000	1	-

These members of staff are also members of the defined benefit Scottish Episcopal Church Pension Fund.

THE GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

3 Employee costs and remuneration of key management personnel (continued)

All employees are members of the Scottish Episcopal Church Pension Fund which is a non-contributory defined benefit scheme with benefits based on final pensionable salary. Others employed by the Scottish Episcopal Church, clergy for the most part, are also members. The General Synod is unable to identify its share of the underlying assets and liabilities of the Fund on a consistent and reasonable basis and so accounts for its contributions as if the scheme was a defined contribution scheme. The contribution rate for the year under review was 22%. The rate is based on the triennial Actuarial Valuation of the Fund as at 31 December 2023 which estimated the Fund's surplus to be £4.6m. As a result, the change in the contribution rate from 32.2% to 22% was announced in September 2024 and implemented from 1st January 2025. There were no contributions outstanding at 31 December 2025 in relation to the General Synod's employees.

4 Expenses paid to board and committee members

Board and committee members are entitled to reimbursement of necessarily incurred travel and subsistence expenses in accordance with the rates determined by the Standing Committee. No remuneration is paid to committee members. Expenses totalling £6,787 were paid to nine members of the Standing Committee during the year, in relation to their membership of that Committee. (2024: £4,464 paid to six members).

5 Donations and legacies

	Unrestricted £	Restricted £	2025 Total £	Unrestricted £	Restricted £	2024 Total £
Quota	750,000	-	**750,000**	715,000	-	**715,000**
Donations	17,952	43,762	**61,714**	36,000	1,258	**37,258**
Legacies	-	235	**235**	288	-	**288**
Grants	-	245,000	**245,000**	-	-	**-**
	767,952	**288,997**	**1,056,949**	**751,288**	**1,258**	**752,546**

6 Investments

	Unrestricted £	Restricted £	2025 Total £	Unrestricted £	Restricted £	2024 Total £
UTP distributions	2,719,970	236,0555	**2,956,025**	2,345,610	233,173	**2,578,783**
Interest	28,889	33,334	**62,223**	28,413	36,468	**64,881**
Rental Income	21,704	-	**21,704**	21,704	-	**21,704**
	2,770,563	**269,389**	**3,039,952**	**2,395,727**	**269,641**	**2,665,368**

7 Charitable Activities

	Unrestricted £	Restricted £	2025 Total £	Unrestricted £	Restricted £	2024 Total £
Publication sales	6,941	-	**6,941**	6,163	-	**6,163**
Other income	41,109	-	**41,109**	13,5333	14,909	**28,442**
Pension fund and investment administration fee	45,682	-	**45,682**	42,433	-	**42,433**
Rental Income	-	91,407	**91,407**	-	88,458	**88,458**
	93,912	**91,407**	**185,319**	**62,129**	**103,367**	**165,496**

THE GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

8 Other

	Unrestricted £	Restricted £	2025 Total £	Unrestricted £	Restricted £	2024 Total £
Gain on sale of property	-	264,034	**264,034**	-	226,183	**226,183**
	-	**264,034**	**264,034**	**-**	**226,183**	**226,183**

9 Expenditure on charitable activities and governance costs

Expenditure on charitable activities includes direct costs, grants awarded and support costs. Support costs, which relate primarily to costs associated with the General Synod Office and governance costs, are apportioned based on estimates of time spent by staff on the various activities.

Governance Costs relate to those costs necessary to provide the governance infrastructure which allows the General Synod to operate, to generate the information required for public accountability and to address strategic issues facing the Scottish Episcopal Church. Such costs include the costs of the annual meeting of General Synod and professional fees relating to audit and legal advice.

2025	Direct Costs £	Grants awarded £	Support Costs £	2025 Total £
Charitable activities				
Mission development and support	30,772	96,362	277,630	**404,764**
Ministry support and training	407,786	219,818	57,392	**684,996**
Ecumenical and church relations	49,799	-	108,459	**158,258**
Promotion, publication and communication	29,637	-	446,168	**475,805**
Support for retired clergy	106,980	51,070	86,166	**244,216**
Provision of support and advice to Dioceses and Congregations	402,227	1,821,002	530,911	**2,754,140**
	1,027,201	**2,188,252**	**1,506,726**	**4,722,179**

2024	Direct Costs £	Grants awarded £	Support Costs £	2024 Total £
Charitable activities				
Mission development and support	28,621	161,864	283,813	**474,298**
Ministry support and training	428,526	220,878	62,511	**711,915**
Ecumenical and church relations	52,381	-	109,255	**161,636**
Promotion, publication and communication	16,248	-	422,091	**438,339**
Support for retired clergy	130,769	49,125	84,837	**264,731**
Provision of support and advice to Dioceses and Congregations	324,066	1,258,676	432,835	**2,015,577**
	980,611	**1,690,543**	**1,395,342**	**4,066,496**

THE GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

9 Expenditure on charitable activities and governance costs (continued)

	2025	2024
Analysis of support costs	**£**	**£**
Staff costs	931,206	845,470
Property and equipment costs	132,888	115,607
General administration costs	107,963	99,365
Board and committee expenses	14,768	8,555
Governance costs	394,211	326,345
	1,581,036	**1,395,342**

	2025	2024
Analysis of governance costs	**£**	**£**
Meeting costs	9,512	4,134
General Synod costs	94,562	88,614
Legal costs	269,797	214,397
Audit fees	20,340	19,200
	394,211	**326,345**

10 Grants

Grants are made to Dioceses, Charges and individuals within the Scottish Episcopal Church for a number of purposes. Grants are also made to other church bodies, non-church bodies and to individuals. The grants awarded during the year can be analysed:

	Mission & Ministry Grants	Other Grants paid to Diocese	Net Zero Grants	Building Grants	Community & Education Grants	Grants paid Overseas	2025 Total
	£	£	£	£	£	£	£
Diocese of Aberdeen & Orkney	99,463	59,666	-	-	-	-	**159,129**
Diocese of Argyll & the Isles	146,881	36,937	-	-	1,000	-	**184,818**
Diocese of Brechin	91,968	37,232	-	-	-	-	**128,930**
Diocese of Edinburgh	88,036	106,558	-	-	-	-	**194,594**
Diocese of Glasgow & Galloway	101,011	38,563	-	-	-	-	**139,574**
Diocese of Moray, Ross & Caithness	119,541	69,387	-	-	-	-	**188,928**
Diocese of St Andrew's, Dunkeld & Dunblane	102,972	101,255	-	-	-	-	**204,227**
All Saints, Bearsden	-	-	-	9,450	-	-	**9,450**
Bishop Election Fund	-	69,676	-	-	-	-	**69,676**
Bishop's House, Iona	-	-	-	13,924	-	-	**13,924**
Holy Trinity, Dunfermline	-	-	-	2,985	-	-	**2,985**
Holy Trinity, Dunoon	-	-	-	2,985	-	-	**2,985**
Holy Trinity, Kilmarnock	-	-	-	2,985	-	-	**2,985**
Isla Spey Deveron Group of Churches	-	-	1,000	-	-	-	**1,000**
Miscellaneous	-	26,913	-	-	715	-	**27,628**
St Andrew's, Ardrossan	-	-	-	20,000	-	-	**20,000**
St Andrew's, Kelso	-	-	-	32,468	-	-	**32,468**
St Andrew's, St Andrews	-	-	7,250	-	-	-	**7,250**
St Andrew's, Dumbarton	-	-	7,250	-	-	-	**7,250**

10 Grants (continued)

	Mission & Ministry Grants	Other Grants paid to Diocese	Net Zero Grants	Building Grants	Community & Education Grants	Grants paid Overseas	2025 Total
	£	£	£	£	£	£	£
St Barnabas, Moredun	-	-	-	6,000	-	-	**6,000**
St Clements, Aberdeen	-	-	-	-	3,000	-	**3,000**
St Columba, Bathgate	-	-	-	2,000	-	-	**2,000**
St Columba, Largs	-	-	5,440	-	-	-	**5,440**
St Fillan's, Buckstone	-	-	12,000	-	-	-	**12,000**
St Finnbarr, Dornoch	-	-	-	11,071	-	-	**11,071**
St Finnians, Lochgelly	-	-	42,000	-	-	-	**42,000**
St James the Great, Dollar	-	-	-	22,702	-	-	**22,702**
St James the Less, Penicuik	-	-	48,691	-	-	-	**48,691**
St James, Mutchill	-	-	-	21,383	-	-	**21,383**
St John the Evangelist, Aberdeen	-	-	43,500	-	-	-	**43,500**
St John the Evangelist, Dumfries	-	-	-	-	4,000	-	**4,000**
St John's, Jedburgh	-	-	-	-	5,000	-	**5,000**
St Leonard's, Lasswade	-	-	20,262	-	-	-	**20,262**
St Luke the Evangelist, Glenrothes	-	-	43,500	-	-	-	**43,500**
St Luke's, Dundee	-	-	4,650	-	-	-	**4,650**
St Margaret, Easter Road	-	-	5,000	12,580	-	-	**5,000**
St Margaret, New Galloway	-	-	5,000	-	-	-	**17,580**
St Mark's, Portobello	-	-	43,500	-	-	-	**43,500**
St Mary the Virgin, Arbroath	-	-	-	25,000	-	-	**25,000**
St Mary the Virgin, Hamilton	-	-	38,244	-	-	-	**38,244**
St Mary's, Carden Place	-	-	-	-	1,375	-	**1,375**
St Ninian's, Dundee	-	-	-	-	3,823	-	**3,823**
St Ninian's, Portpatrick	-	-	-	5,720	-	-	**5,720**
St Paul's & St George's, Edinburgh	-	-	27,088	-	-	-	**27,088**
St Peter, Lutton Place	-	-	-	11,500	-	-	**11,500**
St Peter's, Kirkcaldy	-	-	-	-	1,285	-	**1,285**
St Peter's, Stornoway	-	-	901	-	-	-	**901**
St Saviour's, Bridge of Allan	-	-	-	5,830	-	-	**5,830**
St Ternan's, Banchory	-	-	3,840	2,843	-	-	**6,683**
St Ternan's, Muchalls	-	-	7,250	-	-	-	**7,250**
Child Allowance Grants - 6 individuals	-	-	-	-	7,500	-	**7,500**
Christmas Payments - 375 retired clergy	-	-	-	-	51,070	-	**51,070**
Church of Scotland	-	-	-	-	17,500	-	**17,500**
Diocese of Air Pongo, Papa New Guinea	-	-	-	-	-	6,358	**6,358**
Diocese of Jerusalem & the Middle East	-	-	-	-	-	5,000	**5,000**
EAPPI UK & Ireland	-	-	-	-	-	5,000	**5,000**
Ferrywell Youth Project	-	-	-	-	4,500	-	**4,500**
Herriott Watt University	-	-	-	-	27,316	-	**27,316**
Maintenance Grants - 6 individuals	-	-	-	-	38,157		**38,157**
Park School, Alloa	-	-	-	-	1,500		**1,500**
Scripture Union Scotland	-	-	-	-	5,000	-	**5,000**
Wiam Psycho-Social Project for Children	-	-	-	-	-	5,000	**5,000**
Total	**749,602**	**546,188**	**408,463**	**280,251**	**182,931**	**21,358**	**2,188,252**
2024	**432,200**	**565,573**	**101,416**	**290,745**	**192,514**	**107,996**	**1,690,543**

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

Included in Creditors and Accruals are Grants totalling £505,996 approved but not paid out (2024: £308,934).

10 Grants (continued)

Prior year comparative information:

	Mission & Ministry Grants	Other Grants paid to Diocese	Net Zero Grants	Building Grants	Community & Education Grants	Grants paid Overseas	2024 Total
	£	£	£	£	£	£	£
Diocese of Aberdeen & Orkney	54,065	107,859	-	-	-	-	**161,924**
Diocese of Argyll & the Isles	89,006	38,362	-	-	-	-	**127,368**
Diocese of Brechin	51,908	41,645	-	-	-	-	**93,553**
Diocese of Edinburgh	50,772	174,990	-	-	-	-	**225,762**
Diocese of Glasgow & Galloway	55,716	58,421	-	-	-	-	**114,137**
Diocese of Moray, Ross & Caithness	69,362	52,279	-	-	5,000	-	**126,641**
Diocese of St Andrew's, Dunkeld & Dunblane	61,471	90,417	-	-	-	-	**151,888**
All Saints, Inveraray	-	-	-	5,000	5,900	-	**10,900**
All Saints, Strichen	-	-	-	3,924	-	-	**3,924**
Greyfriars, Kirkcudbright & St Mary's	-	-	-	26,247	-	-	**26,247**
Holy Trinity, Ayr	-	-	-	20,000	-	-	**20,000**
Holy Trinity, Dunoon	-	-	-	-	6,602	-	**6,602**
Holy Trinity, Stirling	-	-	-	26,000	-	-	**26,000**
Mustard Seed, Edinburgh	-	-	-	-	5,000	-	**5,000**
Old St Paul's, Edinburgh	-	-	44,765	-	-	-	**44,765**
Others	-	1,559	-	-	-	-	**1,559**
St Andrew's, Brechin	-	-	-	-	2,000	-	**2,000**
St Andrew's Cathedral, Inverness	-	-	-	-	5,200	-	**5,200**
St Anne's. Strathpeffer	-	-	-	10,584	5,000	-	**15,584**
St Augustine, Dumbarton	-	-	-	9,265	-	-	**9,265**
St Finnbarr, Dornoch	-	-	-	5,900	-	-	**5,900**
St James the Great, Stonehaven	-	-	-	-	2,000	-	**2,000**
St John's Cathedral, Oban	-	-	-	-	2,370	-	**2,370**
St Margaret's, Aberdeen	-	-	-	30,000	-	-	**30,000**
St Margaret's Scotland, Arran	-	-	-	-	4,000	-	**4,000**
St Mark's, Portobello	-	-	44,300	31,000	-	-	**75,300**
St Mary Magdalene's, Dundee	-	-	-	4,628	-	-	**4,628**
St Mary's, Arbroath	-	-	-	-	2,500	-	**2,500**
St Mary's, Dalmahoy	-	-	-	15,000	-	-	**15,000**
St Mary's, Dunblane	-	-	10,163	3,037	-	-	**13,200**
St Mary's, Grangemouth	-	-	-	3,334	-	-	**3,334**
St Mary's on the Rock, Aberdeen	-	-	2,188	-	-	-	**2,188**
St Michael & All Angels, Elie	-	-	-	4,389	-	-	**4,389**
St Ninian's, Prestwick	-	-	-	5,650	-	-	**5,650**
St Paul's & St George's, Edinburgh	-	-	-	-	3,018	-	**3,018**
St Peter's, Stornoway	-	-	-	2,000		-	**2,000**
St Philips & St James, Edinburgh	-	-	-	63,679		-	**63,679**
St Saviour's, Bridge of Allan	-	-	-	8,750		-	**8,750**
St Ternan's, Banchory	-	-	-	6,000		-	**6,000**
St Thomas, Aboyne	-	-	-	6,358		-	**6,358**
Aberlour Childcare Trust	-	-	-	-	5,000	-	**5,000**
Anglican Communion Network Support	-	-	-	-	-	5,000	**5,000**
All Together Now	-	-	-	-	2,000	-	**2,000**
Bishops College, Kolkata	-	-	-	-	-	1,055	**1,055**
Charity Education International	-	-	-	-	-	5,000	**5,000**

THE GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

10 Grants (continued)

Prior year comparative information (continued):

	Mission & Ministry Grants	Other Grants paid to Diocese	Net Zero Grants	Building Grants	Community & Education Grants	Grants paid Overseas	2024 Total
	£	£	£	£	£	£	£
Child Allowance Grants - 7 individuals	-	-	-	-	10,200	-	**10,200**
Christmas Payments - 365 retired clergy	-	-	-	-	47,695	-	**47,695**
Church of Scotland	-	-	-	-	15,000	-	**15,000**
Diocese of Aweil, Kenya	-	-	-	-	-	5,000	**5,000**
Diocese of Buhiga, Burundi	-	-	-	-	-	5,000	**5,000**
Diocese of Buye, Burundi	-	-	-	-	-	5,000	**5,000**
Diocese of Gogrial, South Sudan	-	-	-	-	-	8,705	**8,705**
Diocese of Kampala, Uganda	-	-	-	-	-	5,000	**5,000**
Diocese of Kasai, DRC	-	-	-	-	-	5,000	**5,000**
Diocese of Koforidua, Ghana	-	-	-	-	-	5,000	**5,000**
Diocese of Wanyjok, South Sudan	-	-	-	-	-	1,854	**1,854**
Diocese of Wau, South Sudan	-	-	-	-	-	5,000	**5,000**
EAPPI UK & Ireland	-	-	-	-	-	5,000	**5,000**
Eco Congregation Scotland	-	-	-	-	7,000	-	**7,000**
Faith in Community Scotland	-	-	-	-	5,000	-	**5,000**
Faith in Older People	-	-	-	-	5,000	-	**5,000**
Jamaica Ecumenical Pilgrimage	-	-	-	-	-	11,064	**11,064**
Kenyatta University, Kenya	-	-	-	-	-	4,564	**4,564**
Light of Hope, Malawi	-	-	-	-	-	4,114	**4,114**
Maintenance Grants - 3 individuals	-	-	-	-	40,179	-	**40,179**
Maintenance Grants - 3 individuals	-	-	-	-	40,179	-	**40,179**
Mount Kenya University	-	-	-	-	-	2,440	**2,440**
Park School, Alloa	-	-	-	-	1,500	-	**1,500**
Peace & Justice	-	-	-	-	5,350	-	**5,350**
St Mark's College, South Sudan	-	-	-	-	-	12,000	**12,000**
St Paul's University, Kenya	-	-	-	-	-	1,000	**1,000**
United Reformed Church	-	-	-	-	-	6,200	**6,200**
Wiam Psycho-Social Project for Children	-	-	-	-	-	5,000	**5,000**
Total	**432,300**	**565,573**	**101,416**	**290,745**	**192,514**	**107,996**	**1,690,543**

THE GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

11 Fixed Assets

	Heritable Property	Office Equipment £	Total £
Cost			
At 1 January 2025	4,770,172	14,030	4,784,202
Additions	405,737	-	405,737
Disposals	(261,405)	-	(261,405)
As at 31 December 2025	4,915,504	14,030	4,928,534
Accumulated Depreciation			
At 1 January 2025	-	(3,508)	(3,508)
Charge for the year	-	(3,508)	(3,508)
Depreciation on disposals	-	-	-
As at 31 December 2025	-	(7,016)	(7,016)
Net Book Value			
At 1 January 2025	4,770,172	10,522	4,780,694
At 31 December 2025	**4,914,504**	**7,014**	**4,921,518**

The majority of the heritable properties are provided for charitable purposes (being the provision of housing for retired clergy). Heritable properties are shown at cost. In the opinion of the Standing Committee, no impairment of the carrying values of heritable properties has occurred during the year.

12 Investments

	Listed Investments £	Social Investments - Property £	Social Investments - Loans £	Total £
At 31 December 2024	84,135,036	210,585	127,763	84,473,384
Disposals at opening market value	(1,652,804)	-	-	(1,652,804)
New loans in advanced in year	-	-	545,000	545,000
Loans repaid in year	-	-	(12,878)	(12,878)
Unrealised gains/(losses)	2,676,893	-	-	2,676,893
Balance at 31 December 2025	**85,159,125**	**210,585**	**659,885**	**86,029,595**
Historical cost of investments	9,282,805			

The disposals at opening market value of £1,652,804 (2024: £540,089) during the year raised proceeds of £1,765,963 (2024: £590,437) resulting in a realised gain on sale of £113,161 (2024: £50,348).

The majority of the General Synod's investments are held in the Scottish Episcopal Church Unit Trust Pool. The Unit Trust Pool was established by the Investment Committee of the General Synod to bring together the disparate investments of the various funds of the General Synod, the Dioceses and the individual congregations of the Church to enable these to be managed professionally. The Unit Trust Pool is therefore purely an investment vehicle of the Scottish Episcopal Church. The unit value at 31 December 2025 was £32.0303. The unit value at 28 February 2026 was £31.9156, a decrease of 0.4%. Standing Committee considers that such a reduction in value is within the range of normal price fluctuations and is therefore of the view that no impairment falls to be recognised.

12 Investments (continued)

Social investments, as defined by the Charities SORP (FRS 102), include the following:

Property: a residential home in Edinburgh (named Braeburn) which is leased to the operator of the care home for a peppercorn rent.

Loans: made to Dioceses and Charges, to assist with building projects and are currently charged interest at 3%. The diocese of the relevant charge provides security by committing to be guarantor for the loans in the unlikelihood that the charge cannot repay the loan. We also have one loan that was provided to a retired clergy to assist in the purchase of retirement housing.

Loans totalling £17,878 to two charges had been approved but not drawn down at the Balance Sheet date. The loans have not yet been paid.

13 Debtors

	2025	2024
	£	£
Accrued income and prepayments	1,805,082	1,469,157
Trade debtors	2,733	110
Other debtors	296,678	50,460
	2,104,493	**1,519,727**

14 Creditors

	2025	2024
	£	£
Grants payable	505,996	308,934
Accruals and deferred income	176,905	165,561
	682,901	**474,495**

15 Reconciliation of movement in funds

	Balance at 31 Dec 24	Income for year prior to transfers	Expenditure for year prior to transfers	Transfers between funds	Unrealised gain on revaluation at 31 Dec 25	Balance at 31 Dec 25
	£	£	£	£	£	£
Unrestricted Funds						
General Fund	61,483,111	3,065,235	(3,941,732)	21,625	2,057,770	62,686,009
Administration Board	7,629,298	285,586	(332,887)	-	221,957	7,803,954
Global Partnership	6,396,621	226,656	(51,223)	-	194,324	6,766,378
Institute Council	269,748	21,722	(21,722)	-	8,755	278,503
Other funds	12,748	33,228	(32,620)	1,845	-	15,201
	75,791,526	**3,632,427**	**(4,380,184)**	**23,470**	**2,482,806**	**77,550,045**
Restricted Funds						
Housing Fund	8,366,068	487,730	(105,681)	(14,125)	91,138	8,825,130
Housing Supplementary Fund	2,332,794	80,108	(51,265)	(9,345)	72,964	2,425,256
Administration Board	2,386,523	48,035	(41,298)	-	74,255	2,467,515
Institute Council	1,637,527	52,509	(19,982)	-	50,088	1,720,142
Mission Board	813,627	445	-	-	18,803	832,875
Benefact Trust	-	245,000	(198,078)	-	-	46,922
	15,536,539	**913,827**	**(416,304)**	**(23,470)**	**307,248**	**16,317,840**
Total Funds	**91,328,065**	**4,546,254**	**(4,796,488)**	**-**	**2,790,054**	**93,867,885**

THE GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

15 Reconciliation of movement in funds (continued)

Prior year comparative information:

	Balance at 31 Dec 23	Income for year prior to transfers	Expenditure for year prior to transfers	Transfers between funds	Unrealised gain on revaluation at 31 Dec 24	Balance at 31 Dec 24
	£	£	£	£	£	£
Unrestricted Funds						
General Fund	56,937,762	2,751,085	(3,432,242)	20,870	5,205,636	61,483,111
Administration Board	7,046,274	245,374	(234,983)	-	572,633	7,629,298
Global Partnership	5,811,751	195,797	(112,262)	-	501,335	6,396,621
Institute Council	247,161	15,217	(15,217)	-	22,587	269,748
Other funds	11,967	30,261	(30,941)	1,461	-	12,748
	70,054,915	**3,237,734**	**(3,825,645)**	**22,331**	**6,302,191**	**75,791,526**
Restricted Funds						
Housing Fund	7,838,421	436,661	(130,472)	(13,670)	235,128	8,366,068
Housing Supplementary Fund	2,131,024	70,058	(47,867)	(8,661)	188,240	2,322,794
Administration Board	2,191,015	41,975	(38,031)	-	191,564	2,386,523
Institute Council	1,510,100	22,688	(24,483)	-	129,222	1,637,527
Mission Board	764,640	477	-	-	48,510	813,627
	14,435,200	**571,859**	**(240,853)**	**(22,331)**	**792,664**	**15,536,539**
Total Funds	**84,490,115**	**3,809,593**	**(4,066,498)**	**-**	**7,094,855**	**91,328,065**

16 Analysis of net assets between funds

Fund balances at 31 December 2025 are represented by:

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
Fixed Assets	76,048,321	14,902,792	90,951,113
Current Assets	2,225,159	1,374,514	3,599,673
Current Liabilities	(723,435)	40,534	(682,901)
Total Funds	**77,550,045**	**16,317,840**	**93,867,885**

The majority of Unrestricted Funds are Undesignated Funds. The total of Undesignated Funds, representing the General Fund, at 31 December 2025 was £62.7m (2024 £61.5m).

The majority of Restricted Funds relate to the Retirement Housing Fund administered by the Retirement Housing Committee. The Fund provides assistance in the provision of retirement housing to eligible beneficiaries of the SEC Pension Fund (mostly retired clergy and their widowed spouses / partners). It has an interest in 35 properties located throughout Scotland. A number of the properties were specifically gifted to the General Synod for such use. The Fund has also benefitted from legacies and donations given to assist in the provision of housing to retired clergy.

Of the investments held by other Restricted Funds approximately £2.3m relates to the Retirement Supplementary Fund administered by the Retirement Housing Committee. Annual investment

16 Analysis of net assets between funds (continued)

income is used to provide a range of grants and an annual Christmas gift to beneficiaries of the SEC Pension Fund. The balance of the investments and other assets relate to a range of smaller funds most of which are included in the Miscellaneous Funds administered by the Mission Board, the Institute Council and the Administration Board. The purpose of the Benefact Trust Funding is to provide part funding for net zero projects on our churches, covering project development and capital decarbonisation works with no funding for overhead of staffing costs.

Prior year comparative information:

Fund balances at 31 December 2024 are represented by:

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fixed Assets	74,802,865	14,451,213	89,254,078
Current Assets	1,444,477	1,104,005	2,548,482
Current Liabilities	(455,816)	(18,679)	(474,495)
Total Funds	**75,791,526**	**15,536,539**	**91,328,065**

17 Related party transactions

The nature of the General Synod requires that it has a great many financial transactions with Dioceses and congregations within the Scottish Episcopal Church. As all members of the Standing Committee are connected with their respective Diocese and local church congregation these bodies are related parties under Financial Reporting Standard 102 'Related Party Disclosures' and transactions with them are 'related party transactions'. The governance procedures of the General Synod require that members of all Boards and Committees declare their interest in any grant or loan application prior to its discussion by the Board or Committee.

FRS 102 requires disclosure of material related party transactions and year end balances with related parties. In the case of the General Synod these are for the most part separately disclosed in the statement of financial activities, the balance sheet or in the notes to the financial statements and comprise: quota received from Dioceses, grants made and loan balances outstanding.

Other transactions include sales of publications, the provision of training courses and conferences and the leasing of office space to the Diocese of Edinburgh.

Aidan Strange, the son of Most Rev Mark Strange, a member of the Standing Committee, has been employed by the General Synod as a Digital Communications Co-ordinator since May 2017. He was employed following an open recruitment process and his salary is in line with normal salary rates.

THE SCOTTISH EPISCOPAL CHURCH UNIT TRUST POOL

Statement of Total Return for the Year Ended 31 December 2025

		2025		2024
	£	£	£	£
Income				
Capital gains - net				
Realised		10,126,163		4,976,347
Unrealised		(4,109,791)		7,589,918
		6,016,372		12,566,265
Revenue	3,035,780		2,666,180	
Management expenses	72,675		64,830	
		2,963,105		2,601,350
Total return before distributions		8,979,477		15,167,615
Distributions *(£1.10p per unit. 2024: 95p)*		4,634,951		4,053,670
Change in net assets attributable to unitholders from investment activities		4,344,526		11,113,945

Statement of change in net assets attributable to unitholders

	2025	2024
Net assets attributable to unitholders as at 31 December 2025	132,081,113	122,062,428
Receipts from issue of new units	2,046,771	1,112,163
Realisation of units:		
Book value	(1,249,962)	(787,363)
Appreciation	(2,837,375)	(1,420,060)
	130,040,647	120,967,168
Change in net assets attributable to unitholders from investment activities	4,344,526	11,113,945
Net assets attributable to unitholders as at 31 December 2025	134,385,173	132,081,113
Number of units in issue	4,195,568	4,257,472
Unit value as at 31 December 2025	£32.0303	£31.0234

The notes on page 32 form part of these financial statements.

THE SCOTTISH EPISCOPAL CHURCH UNIT TRUST POOL

Balance Sheet as at 31 December 2025

	Notes		2025		2024
		£	£	£	£
Capital Account					
Investments valued at closing prices	3		136,423,435		133,906,173
Current Assets					
Bank		954,475		281,702	
Investment income receivable		-		-	
Income tax recoverable		15,335		180,199	
Sundry debtors		208,854		169,342	
Forwards		27,407		29,969	1,206,071
		661,212			
Current Liabilities					
Sundry creditors		54,714		57,237	
Proposed distribution at 46p/unit (2024: 46p /unit)		2,727,119		2,299,035	
Funds awaiting investment		462,500		130,000	
		3,244,333		2,486,272	
Net Current (Liabilities)			(2,038,262)		(1,825,060)
Total Net Assets attributable to unitholders			134,385,173		32,081,113

Cathy Johnston
Convener, Standing Committee
16 April 2026

The notes on page 32 form part of these financial statements.

Notes to the Financial Statements for the Year Ended 31 December 2025

1 Status of the Unit Trust Pool

The Unit Trust Pool was established by the Investment Committee of the General Synod of the Scottish Episcopal Church to bring together the disparate investments of the various Funds of the General Synod, the dioceses and the individual congregations of the Church to enable these to be managed professionally. The Unit Trust Pool is therefore purely an investment vehicle for the Scottish Episcopal Church. An Ethical Investment Policy has been adopted in respect of the Unit Trust Pool (see page 37).

The Fund Manager's fee for the year ended 31 December 2025 was £571,694 (2024: £548,379).

2 Accounting policies

Basis of accounting

Although the Unit Trust Pool is a private investment vehicle and not an "Authorised Fund", in preparing these financial statements, the Standing Committee has followed the format recommendations in the Statement of Recommended Practice "Financial Statements of Authorised Funds" (the SORP). Other matters dealt with by the SORP are not considered to be material to an understanding of the financial statements of the Unit Trust Pool.

Accounting Convention:

The financial statements are prepared under the historical cost convention modified to include investments at market value.

Investment income and charges

Investment income and charges are dealt with as follows:

(a) Dividends are included in the financial statements when the stock is declared ex-dividend by the year end. Investment income is shown gross, inclusive of recoverable tax.

(b) Deposit interest and bank charges are accrued where applicable.

(c) All purchases and sales of fixed interest securities are recorded net of accrued interest which is taken to revenue.

3 Investments

The following individual holding exceeded 5% of the total value of the investment portfolio at the year end:

	£	
Baillie Gifford Long Term Global Growth Fund B Income	47,485,290	34.7%
Baillie Gifford Sustainable Income Fund B Inc	47,657,480	34.8%

Independent Auditor's Report to the Unit Holders of the Scottish Episcopal Church Unit Trust Pool

Opinion

We have audited the financial statements of the Scottish Episcopal Church Unit Trust Pool for the year ended 31 December 2025 which comprise the Statement of Total Return, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the Scottish Episcopal Church Unit Trust Pool as at 31 December 2025 and of its Total Return for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Scottish Episcopal Church Unit Trust Pool in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the account, we have concluded that the Standing Committee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Scottish Episcopal Church Unit Trust Pool's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Standing Committee with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report of the Standing Committee, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Unit Holders of the Scottish Episcopal Church Unit Trust Pool (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Standing Committee

As explained more fully in the Statement of Responsibilities of the Standing Committee, the Standing Committee are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Committee are responsible for assessing the Unit Trust Pool's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Unit Trust Pool or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We gained an understanding of the legal and regulatory framework applicable to the Unit Trust Pool and the industry in which it operates and considered the risk of acts by the Unit Trust Pool which were contrary to applicable laws and regulations, including fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. We focused on laws and regulations that could give rise to a material misstatement in the Unit Trust Pool's financial statements.

Independent Auditor's Report to the Unit Holders of the Scottish Episcopal Church Unit Trust Pool (continued)

Our tests included, but were not limited to:"

- A review of manual adjustments made in coming to the financial statements would identify any unusual adjustments.
- Through gaining a detailed understanding of the business and operations this allowed for
- identification of irregularities.
- Analytical review of figures against expectation in order to assess movements which may be caused by irregularities or fraud.
- Specific consideration was given to transactions with related parties.
- Investments were suitably tested for valuation confirmation

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/library/standards-codes-policy/audit-assurance-and-ethics/auditors-responsibilities-for-the-audit/. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Standing Committee as the charity's Trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

CT Audit

CT Audit Limited
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

Date: 20 April 2026

THE SCOTTISH EPISCOPAL CHURCH UNIT TRUST POOL

Ethical Investment Policy

(The Policy relates to investments in the Scottish Episcopal Church Unit Trust Pool)

Policy approved by General Synod 2022:

The Scottish Episcopal Church (SEC) recognises its members' duty as Christians to live in society in a manner which represents an effective witness to our Christian faith. In a complex world this is not an easy task, and the difficulties are particularly challenging in the context of investing funds in the UTP.

Amongst other matters, we need to consider:

- our duties as responsible stewards of the funds entrusted to the SEC.
- what determines our values and our understanding of ethical investment, recognising that these will develop over time.
- in practical terms, how these may be applied to the UTP on an on-going basis.

1. Principles of responsible stewardship

The SEC Ethical Investment Advisory Group's 2020 report identified three foundational principles:

- The responsibility of prudent use of the money entrusted to the church, in wise and effective investments, in the context of the economic situation prevailing at the time.
- The responsibility to make investments directly or indirectly in companies whose activities are not inconsistent with the church's spiritual and moral values under God, reflecting the most pressing needs of the times, and not to invest in those whose activities are contrary to those values.
- The responsibility arising from the dependence of the missional work of the SEC upon the annual returns made from the investments for the work of the church, the staff it employs and the voluntary efforts of time, energy and talents of the wider church membership.

2. Principles of ethical investment

Certain categories of investments are deemed to be inconsistent with SEC's values. The Investment Committee should therefore avoid direct investment in companies deriving more than 10% of their revenues in the following restricted categories:

- Armaments
- Fossil Fuel extraction
- Gambling
- Pornography
- Tobacco

The Investment Committee relies on the use of pooled funds to achieve the investment objectives for the UTP. Pooled funds are the subject of a separate policy which was approved by General Synod 2021 and can be found here[i]. The policy states that the total value of investments in the restricted categories held in pooled funds should be less than 1% of the total value of the UTP.

Ethical investment includes far more than simply avoiding areas that are incompatible with the SEC's values. It can involve making a commitment to investing in areas that actively produce social and environmental benefits.

Useful broad criteria to guide the assessment of what may or may not be an ethical source of revenue for the UTP are the positive or negative impacts of the entity in question on:

a) the health and dignity of human beings, particularly the most disadvantaged in society.
b) the long-term stewardship of the planet; and
c) the mission of the worldwide church.

Ethical Investment Policy (continued)

Assessment of ESG criteria (Environmental, Social and Governance) can be a useful tool for understanding how seriously a company takes such questions and integrates them into its business practices. However, as yet there is no universally accepted standard for assessing relative ESG performance. The Investment Committee therefore depends on its investment and fund managers for analysis of ESG performance of the companies it selects for investment. The Church Investors Group (CIG), of which the SEC is a member, conducts valuable research in this area.

When considering the appointment of an investment manager for the UTP, the Investment Committee will seek to appoint a firm that can demonstrate a responsible and progressive ESG policy.

In addition, SEC should have regard, where possible, to the desirability of investing the UTP in funds with a focus on making a positive contribution in one or more of the following areas:

- Developments in human health, wellbeing, education and communications.
- Sustainable development of just and peaceful societies.
- Businesses that minimise and mitigate the harmful effects of industry, recognising that all human activity has an impact on the planet.

3. Practical considerations

In selecting appropriate funds to invest in, the practical considerations include balancing ethical criteria with the need to meet the investment objectives and the resources required to administer the UTP.

This raises questions of how appropriate funds should be selected for the UTP, the triggers that will result in an immediate review of on-going suitability, the frequency of routine reviews and reporting requirements, and the process for considering future ethical investment concerns and opportunities as and when they arise.

(a) Selection and monitoring of funds

- A pooled fund under consideration for the UTP must comply with the SEC's Policy Framework on Investment of SEC Unit Trust Pool Monies in Pooled Funds at the outset.
- Investment Committee will engage with the UTP's investment manager on ESG issues at least annually.
- Investment Committee will have regard to the level of impact investment in any fund under consideration for investment and in the UTP as a whole.
- Investment Committee will include an impact investment statement in its annual compliance report to Standing Committee.
- Investment Committee will include ethical investment criteria in its formal review of the UTP's investments which takes place every three years.

(b) Triggers to change fund or investment manager

- Investment Committee is required to report to Standing Committee on options for action in the event of non-compliance in terms of the SEC's Policy Framework for investment in pooled funds.
- Timing of any divestment will be dependent on the identification of an appropriate alternative fund that meets ethical and investment criteria and/or an appropriate alternative investment manager.

(c) Framework for investigating ethical concerns

It is recognised that issues will arise that require SEC to consider the ethics of how the UTP is invested. The SEC recognises its responsibility to give careful consideration to such areas of concern.

Ethical Investment Policy (continued)

Standing Committee will appoint and oversee an advisory group to be tasked with looking out for such issues and assessing ethical investment concerns raised by SEC groups or individual members and providing advice to Standing Committee in that regard. In carrying out its work, the group will act collaboratively in consultation with IC, CISC and other groups within SEC having an interest in the field of ethical investment.

The Terms of Reference for that group will be as set by Standing Committee from time to time.

---

[i] https://www.scotland.anglican.org/wp-content/uploads/Policy-on-the-use-of-Pooled-Funds-in-the-UTP-June-2021.pdf